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February 6, 1998

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas, Secretary  
Federal Communications Commission  
1919 M Street, NW, Room 200  
Washington, DC 20554

Re: Federal-State Joint Board on Universal  
Service, CC Docket No. 96-45, DA 98-185  
(COMSAT Waiver)

Dear Ms. Salas:

AT&T Corp. ("AT&T") asks the Commission to include the enclosed AT&T Reply Comments on Report to Congress, filed February 6, 1998, as its response to COMSAT Corporation's Petition for Partial Waiver of universal service fund contribution obligations.

Respectfully submitted,

*Judy Sello/aw*

Enclosure

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

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Federal-State Joint Board on )  
Universal Service )

CC Docket No. 96-45  
(Report to Congress)

AT&T REPLY COMMENTS ON REPORT TO CONGRESS

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February 6, 1998

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### SUMMARY

In these reply comments, AT&T addresses those key areas which warrant further consideration to improve and sustain the universal service support mechanisms established under Section 254 of the Telecommunications Act, consistent with the Act's objectives and the Commission's intent to conduct a thorough reevaluation of who is required to contribute to universal service.

As AT&T shows in Part I, there is broad recognition that allowing ILECs to recover their USF assessment through access charges is inequitable and discriminatory. The Commission should therefore change the mechanism for universal service support recovery to a competitively neutral mandatory end user surcharge on all (interstate) retail telecommunications service revenues that is both assessed and recovered directly as a line item on the end user bill.

As also shown in Part I, the modifications the Commission recently made to the USF in its Fourth Reconsideration Order have inappropriately constricted the contribution base and have already opened the floodgates for exemption claims. Firms including Amtrak, a dark fiber provider, a prepaid card provider, and resellers (as a group through their trade association), all now seek exemption based on the schools and libraries-type or *de minimis* exemptions that the Commission carved out. Because these exemptions clearly create enormous potential for abuse, AT&T urges the Commission to revoke them. Similarly, the Commission should

reject the requests of various parties (including COMSAT in a parallel proceeding), for exemption of their international revenues.

In Part II, AT&T demonstrates that Internet service providers' contention that the current USF program, under which they are entitled to subsidies but without payment obligations is fair, is plainly incorrect and should be rejected. Not only does the Commission lack statutory authority to fund Internet access and internal connections, but even if had such authority, it should recognize this component of the program, at an annual cost of \$2.25 billion, has been set at an unsustainable level. In all events, ISPs' contention that they already contribute at adequate levels to universal service is misleading. Whatever contribution ISPs may make with the purchase underlying telecommunications services is far lower than if they were required to contribute based on their retail revenues.

As several commenters show, at a minimum (and regardless of whether Internet access is supported by the USF), competitive neutrality and the broad contribution base necessary to support universal service require that, to the extent that a provider offers both telecommunications and information services, the telecommunications portion must be assessed USF support obligations. Any Commission failure to enforce USF funding obligations (and access charge assessments) on telecommunications services that are provided over new technology backbones skews the market by making

providers of comparable services subject to vastly different payment obligations.

In Part III, AT&T shows that the comments confirm that a clearcut compliance plan is essential to ensure that Section 254's programs receive the required support in an equitable manner. The Commission should therefore institute a compliance plan to ensure that entities that were required to file USF Worksheets have done so and have not under-reported their telecommunications revenues, with the result that the contribution amounts for entities that duly reported their revenues are higher than they should be.

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

_____	)	
Federal-State Joint Board on	)	CC Docket No. 96-45
Universal Service	)	(Report to Congress)
_____	)	

**AT&T REPLY COMMENTS ON REPORT TO CONGRESS**

Pursuant to the Commission's Public Notice, DA 98-2, released January 5, 1998, and its Order, DA 98-3, released January 14, 1998, AT&T Corp. ("AT&T") submits the following reply comments on the extent to which the Commission's interpretations of the Communications Act of 1934, 47 U.S.C. § 151 *et seq.*, as amended by the Telecommunications Act of 1996, relating to universal service are consistent with statutory requirements.<sup>1</sup>

AT&T believes that, in general, the Commission in its proceedings under Section 254 of the Act has undertaken important steps to implement predictable and sufficient mechanisms to advance and preserve universal service, in high cost areas and for low-income consumers, as well as to establish the new support programs created by the 1996 Act for schools, libraries and rural health

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<sup>1</sup> Appendix A lists the parties filing comments and the abbreviations used to identify them herein.

care. In its reply comments, AT&T will address those key areas which it believes warrant further consideration to improve and sustain that system of support, consistent with the statutory objectives. The Commission should take account of these improvements in implementing its intent to "conduct a thorough reevaluation of who is required to contribute to universal service, pursuant to Congress's direction to issue a report on this issue by April 10, 1998."<sup>2</sup>

**I. The Success Of Universal Service Requires Competitive Neutrality And A Broad Contribution Base**

In its comments, AT&T noted that in the May 8, 1997 Universal Service Order<sup>3</sup> (paras. 777-791; 793-796), the Commission correctly determined the classes of providers that are to contribute to universal service under Section 254(d) of the Telecommunications Act of

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<sup>2</sup> Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Fourth Order on Reconsideration, FCC 97-420, released December 30, 1997, para. 255 ("Fourth Reconsideration Order").

<sup>3</sup> Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, FCC 97-157, released May 8, 1997, pets. for review pending sub nom. Texas Office of Public Utility Counsel v. FCC, Nos. 97-60421 et al. (5<sup>th</sup> Cir.) ("Universal Service Order"), *id.*, Order on Reconsideration, FCC 97-246, released July 10, 1997; Second Order on Reconsideration, FCC 97-253, released July 18, 1997; Third Order on Reconsideration, FCC 97-411, released December 16, 1997; Fourth Order on Reconsideration, FCC 97-420, released December 30, 1997. Unless another Order is specifically referenced, all paragraph citations herein are to the Universal Service Order.



1996. Nonetheless, in several important respects, AT&T believes that the Commission's scheme falls short of achieving competitive neutrality.

First, Section 254(b)(4) of the Act requires that all telecommunications service providers make an equitable and nondiscriminatory contribution to universal service support. Yet, the "existing subsidy programs effectively insulate ILECs from any revenue displacement." AirTouch at 31. This is because, as Sprint (at 3) explains, "the Commission's plan allows the LECs to recover the vast bulk of their interstate USF contribution from the IXCs through access charges, while the IXCs' only avenue of cost recovery is through the end user. If the USF contribution is to be 'nondiscriminatory' as provided for in the Act, and competitively neutral as provided for in the Commission's May 8, 1997 Report and Order in this matter, then it is imperative that all carriers recover their USF cost in a like manner ❖- that is, from the end user customer." (emphasis added)

Accordingly, as AT&T urged (at 4-5), the Commission should adopt an explicit, mandatory end user surcharge on all (interstate) retail telecommunications service revenues that is both assessed and recovered directly as a line item on the end user bill to establish a competitively neutral USF recovery mechanism. GTE (at 34), Sprint (at 1-20), TRA (at 5), and

Vanguard (at 8-9), along with a host of other entities at earlier phases of this docket, all urge the Commission to adopt this recovery mechanism. This would ensure that each consumer pays his or her fair share of universal service support.

As one commenter explained, "[l]evying an explicit charge on telecommunications carriers to support universal service while hiding from consumers the costs the new universal service mechanism imposes on carriers does not comply with the spirit or intent of the Act to make universal service support explicit. All carriers should be required to identify their universal service support contribution obligation on consumer bills."<sup>4</sup>

Access at 6-7.<sup>5</sup>

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<sup>4</sup> In this regard, AT&T notes that at least one group of commenters, the Education Parties (at 4-6), asserts that some long distance carriers are attempting to shift all of their increased costs (including residential costs) resulting from the Universal Service and the Access Reform Orders to business users, including colleges and universities, while retaining the access reductions. AT&T is not generating profits on USF recovery because it has already flowed through more in rate reductions than it has received in access reductions. Moreover, because of systems and implementation requirements, AT&T currently is only recovering a portion of the new USF assessment associated with business services, and it is not recovering as a line item on the consumer bill any of the assessment associated with residential services. The bottom line is that the Fourth Reconsideration Order (para. 284) requires that nonprofit schools, colleges and libraries be treated as end users. Had the Commission not exempted colleges and universities from contributing directly to the USF based on their resale activities, then AT&T's USF assessment would have been lower and it

Apart from the Internet-based provider issues which potentially threaten to undermine the USF program and which are discussed separately in Section II, AT&T expressed its concern (at 5-8) that the modifications that the Commission recently made to the USF in its Fourth Reconsideration Order have inappropriately constricted the USF contribution base and, in the long term, will jeopardize the viability of the program. Not surprisingly, the comments confirm AT&T's view that those exemptions will open the floodgates for further relief and create enormous potential for abuse.

For example, Amtrak (at 3-8) seeks an exemption from USF contribution obligations by analogy to: (i) the nonprofit schools, colleges, libraries and health care provider exemption (claiming payment would be contrary to its mission); and (ii) the system integrator exemption (asking that any firm with *de minimis* telecommunications revenues should be exempt). Amtrak also contends that it

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(footnote continued from previous page)

would have had to recover less from its own end user customers.

- <sup>5</sup> Competitive neutrality also requires that to the extent a State establishes its own universal service fund, all carriers should be able to draw support from it on a technology-neutral basis. Yet, Sprint PCS (at 2-3) reports that California does not permit it to obtain state support, even though it has been certified as an eligible telecommunications carrier by the state commission. Any such exclusionary action, which acts as a barrier to entry, is subject to preemption by the FCC. See Section 253(d).

is statutorily exempt from additional taxes on its real and personal property and therefore is not obligated to contribute to the USF. Amtrak's claim for exemption should be denied. As AT&T has already shown (at 5-8), the exemptions for schools, colleges etc., as well as the systems integrator exemption, are ill-conceived and should be rescinded; they certainly should not be expanded. In addition, the Commission has already determined that USF assessments are not "taxes" and therefore Amtrak's statutory claim for exemption must fail.<sup>6</sup>

In a similar vein, TRA (at 11-12) contends that resellers should be exempted under a *de minimis* system integrator-like exemption. Quite the contrary, the whole point of a retail assessment dictates that a reseller must be assessed USF support obligations on its retail revenues.<sup>7</sup> TRA's contention highlights the potential for abuse of the current \$10,000 exemption from contribution obligations. For example, a single reseller could buy service from AT&T; based on proper identification of the purchaser as a reseller, AT&T would regard the revenue it receives from the reseller as wholesale revenue. The reseller then could, in turn, resell to numerous separate

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<sup>6</sup> Universal Service Order, para. 598.

<sup>7</sup> Similarly, and contrary to SmarTalk's assertion (at 1), there is no basis for exempting prepaid card customers from USF assessments.

subsidiaries and claim its receipts to be wholesale revenue. If enough subsidiaries are created, then each could fall under the \$10,000 *de minimis* exemption, with the effect that a substantial telecommunications revenue stream escapes USF payment obligations altogether, thereby forcing upward the contribution amounts of others. Accordingly, AT&T agrees with USTA (at 5-6) that no telecommunications service provider should be exempted.<sup>8</sup>

Access (at 4), and COMSAT in a separate proceeding,<sup>9</sup> contend that the Commission should not

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<sup>8</sup> Likewise, the Commission should reject arguments, such as that made by UTC (at 4), that dark fiber is not a telecommunications service and therefore revenues earned therefrom are exempt from USF assessments. The Commission has already determined that the lease of network facilities is a communications services. See, e.g., In the Matter of Applications for Authority Pursuant to Section 214 of the Communications Act of 1934 to Cease Providing Dark Fiber Service, 8 FCC Rcd 2589, 2593 (1993) (finding that "the provision and maintenance of fiber optic transmission capacity between customer premises where the electronics and other equipment necessary to power or 'light' the fiber are provided by the customer" - referred to as "dark fiber" - is a "wire communication"), remanded on other grounds, Southwestern Bell Telephone Co. v. FCC, 19 F.3d 1475 (D.C. Cir. 1994). That being the case, it is clear that the Commission's recent conclusion that a "bare transponder" is not a communications service (Fourth Reconsideration Order, para. 280) is incorrect. As UTC points out (at 4), "[a] satellite transponder contains electronics that are maintained by the satellite owner and which actively convert the uplinked signal to a different frequency for retransmission to earth."

<sup>9</sup> See "COMSAT Corporation Petition for Partial Waiver," CC Docket No. 96-45, DA 98-185, released January 30, 1998.

impose universal service contribution obligations on the international revenues of interstate carriers. First, the Commission unquestionably has authority to do so and has, moreover, exercised that authority correctly.<sup>10</sup> Section 254(d) expressly empowers the FCC to require that every telecommunications carrier that provides interstate telecommunications services to contribute without regard to whether the revenues are interstate or international revenues. The broad contribution base required to sustain universal service supports the inclusion of international revenues. COMSAT apparently contends that it should not be required to contribute because its interstate revenues are small in comparison with its international revenues. If this contorted rationale were adopted, then ILECs could argue that they should not contribute to the USF because their interstate revenues are significantly lower than their intrastate ones. Accordingly, the Commission should reject all such claims for exemption.

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<sup>10</sup> Universal Service Order, paras. 778-779.

**II. Internet Access And Internal Connections Should Not Be Funded By The USF And The Commission Must Ensure That ESPs Contribute To Universal Service On Their Telecommunications Revenues**

As expected, the Internet service providers maintain that the current USF program, under which they are entitled to subsidies but without payment obligations, is consistent with statutory terms.<sup>11</sup> This view is incorrect and should be rejected.

As many commenters show, the Commission lacks statutory authority to subsidize Internet access and internal connections (e.g., inside wire) for schools and libraries because neither is a "telecommunications service."<sup>12</sup> Sections 254(c)(1), (c)(3), (h) all refer to "telecommunications services" or the need to "enhance . . . access to" advanced services.<sup>13</sup> The

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<sup>11</sup> See, e.g., AOL at 18-20; Comcast at 3, 7-8; CIX at 12-14; EDLINC at *in passim*; USIPA at 3. But see AirTouch at 29 (ISPs benefit from USF funding of Internet access and thus should contribute to USF support).

<sup>12</sup> AT&T at 9; AirTouch at 33-34; Ameritech at 3; BellSouth at 4; GTE at 9, 12; SBC at 1, 3-4; Teleport at 3-4; USTA at 3, 6. But see State Board at 4; TDS at 5.

<sup>13</sup> As GTE (at 10-12) explains,

"[t]he Act defines 'Universal service' as an 'evolving level of telecommunications services.' 47 U.S.C. § 254(c)(1). In defining the 'services' eligible for universal service support under subsection (c), the 1996 Act requires the FCC to consider the extent to which 'such telecommunications services': (A) are essential to education, public health, or public safety; (B) have been subscribed to by a substantial

expansive interpretation of "advanced services" to include non-telecommunications services, which is supported in the comments by the beneficiaries of these expanded subsidy payments,<sup>14</sup> simply cannot be sustained by the plain meaning, intent, or legislative history of that section.<sup>15</sup>

But even if the Commission affirms its holding that authority exists to fund non-telecommunications services, the Commission should certainly acknowledge that the size of this component of the USF, at an annual

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majority of residential customers; (C) are being deployed in public telecommunications networks by telecommunications carriers; and (D) are consistent with the public interest, convenience, and necessity. Although Subsection (C)(3) allows the Commission to establish additional 'services for such support mechanisms' for designated entities, that subsection also explicitly references subsection (h) of Section 254, which is entitled 'Telecommunications Services for Certain Providers.' However, neither this section nor any other provision of the Act provides the Commission with discretion to extend these subsidies to unregulated non-telecommunications services. [] It follows that, notwithstanding the fact that subsection (c) permits the Commission to 'designate additional services' for support for schools, libraries and health care providers, such additional 'services' can include only 'telecommunications services' consistent with the overall definition of universal service."

<sup>14</sup> See, e.g., AOL at 18-20; CIX at 12-14.

<sup>15</sup> As GTE notes (at 18-20), in the Universal Service Order, the Commission adopted artificial distinctions between "content" and "non-content" information services which it has rejected in other contexts, and for which there is no statutory basis under Section 254 for USF eligibility purposes.



cost of \$2.25 billion, has been set at an unsustainable level. According to AirTouch (at 22), in a recent study of the schools and libraries program, one economist found that for each additional dollar of "tax" placed on interstate telecommunications services, the efficiency loss was more than three times as high compared to a more general recovery mechanism.<sup>16</sup> This clearly places interexchange carriers at an economic disadvantage vis-à-vis ISPs and skews investment decisions. To avoid these serious marketplace distortions, rational policy would dictate that to the extent that ISPs are eligible for billions of dollars of USF support, they must also contribute; *i.e.*, by being assessed USF support based on their retail revenues. Moreover, because Internet access providers are currently indirect competitors of interexchange carriers, and are increasingly becoming direct competitors in areas such as real-time fax and voice, fundamental fairness dictates that they contribute to USF support as their competitors do.<sup>17</sup>

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<sup>16</sup> *Citing* Jerry Hausman, "Taxation by Telecommunications Regulation," National Bureau of Economics Research, Working Paper 6260, November 1997, at 15.

<sup>17</sup> See AirTouch at 28-33 ("The uneven treatment of ISPs relative to other users of the public switched network will create additional problems as ISPs become increasingly competitive with carriers that are forced to pay universal services taxes. . . . ISPs will be competing against interexchange carriers (IXCs) whose rates reflect the fact that their services have to bear subsidy burdens.")

Some ISPs predictably argue that this preferential treatment is warranted because they already contribute to the USF subsidy system.<sup>18</sup> Claims that ISPs subsidize universal service costs through their customers' purchase of higher-priced second phone lines are simply inaccurate. First, these charges have nothing to do with the ISPs; they are charges levied against subscribers whether or not the subscribers are customers of an ISP. Second, higher-priced second line charges recover the interstate portion of the cost of the loop; they do not contribute to the new high cost, low-income, schools and libraries, and rural health care support, which are the targeted subsidy programs that the USF assessments are designed to fund. Moreover, to the extent that ISPs purchase interstate services from IXC's, and pay USF assessments on the purchase of those services, their contribution is much lower, and those of others are therefore much higher, than if ISPs contributed on their retail revenues. Misleading arguments such as these do not present a valid - let alone compelling - case for allowing ISPs, as a matter of Commission policy, to feed from the subsidy trough but not contribute.

At a minimum (and regardless of whether Internet access is supported by the USF), competitive

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<sup>18</sup> See CIX at 10-11; ITI and ITAA at 8-9.

neutrality and the broad contribution base necessary to support universal service require that, to the extent that a provider offers both telecommunications and information services, the telecommunications portion must be assessed USF support obligations (as well as cost-based access charges). As AT&T explained, in the past, the Commission has appropriately distinguished between the "information service" and the "telecommunications service" offerings of a provider.<sup>19</sup> Several commenters similarly acknowledge that the Commission has correctly maintained this distinction in the Universal Service Order by requiring all providers, including ISPs and ESPs, to contribute to the USF to the extent that they provide telecommunications service and exempted only their information service offerings from USF contribution obligations.<sup>20</sup>

It is widely acknowledged in the comments that any Commission failure to enforce USF funding obligations (and access charge assessments) on telecommunications services that are provided over new technology backbones skews the market by making providers of comparable services subject to vastly different payment

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<sup>19</sup> See AT&T at 10 n.14.

<sup>20</sup> See, e.g., CIX at 11; Comcast at 8; SBC at 2-3.

obligations.<sup>21</sup> Indeed, many commenters point out the emerging market for phone-to-phone telecommunications services that use Internet Protocol ("IP") technology in their long-haul networks and directly compete with traditional circuit-switched telephony.<sup>22</sup> It is abundantly clear that the Commission's failure to enforce USF (and access charge) payment obligations flies in the face of the Commission's commitment to technology-neutral policies,<sup>23</sup> and triggers more artificially-stimulated migration from traditional circuit switched telephony to packet switched IP services that are able to take advantage of this "loophole."<sup>24</sup>

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<sup>21</sup> AirTouch at 30; Alaska at 8-10; Ameritech at 2; AT&T at 12; GTE at 15-17; RTC at 10; TDS at 3; WUTC at 5.

<sup>22</sup> See AT&T at 12-13; Senators Burns and Stevens at 8; see also n.21, *supra*.

<sup>23</sup> See, e.g., BellSouth at 9 ("Having adopted competitive neutrality as a principle of universal service, the Commission under its Section 254 obligations should create rules that operate in a competitively neutral manner. To maintain rules that are not competitively neutral conflicts with Congress' admonition in Section 254 to adopt universal service policies that reflect the principles enumerated in the statute as expanded by the Commission in the *Universal Service Order*.")

<sup>24</sup> AT&T at 12-13; AirTouch at 30 15 (two-way voice providers compete with IXCs and a failure to enforce payment obligations leads to economically inefficient diversion of traffic); RTC at 13 (irrational to maintain a discriminatory policy that attracts voice users away from the PSN, excuses them from USF contributions, and saddles residual PSN users with ever increasing support); accord Senators Burns and Stevens at 7.

Even in those instances where it is difficult to distinguish between telecommunications and information services provided on a "hybrid" basis, as Senators Burns and Stevens explain (at 5), "the statutory definitions do not prevent the information service provider from also being classified as a 'telecommunications carrier' to the extent that it provides transmission services." In this context, the Commission could avoid inequities by applying pragmatic solutions to "mixed use" services such as it has applied in other contexts (for example, the surcharge for leaky PBXs and private line usage factors) to develop surrogates for the telecommunications service portion of the providers' revenues for USF assessment. Ultimately, the failure to do so could undermine universal service, as Internet providers combine their offerings to avoid their support obligations.

Finally, the assessment of USF funding does not amount to "regulation of the Internet" in violation of Section 230 of the 1996 Act, as several commenters claim.<sup>25</sup> First, any requirement that ISPs collect USF charges from their end users is no more "regulation of the Internet" than is the application of gross receipts tax "regulation" to telephone service. Clearly, such a collection requirement does not implicate the full

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<sup>25</sup> CompuServe at 9-10; Internet Coalition at 11; ITI/ITAA at 7; NCTA at 9.

panoply of Title II regulation on ISPs. Second, the introductory language to Section 230 cited by certain commenters was adopted in the context of restrictions on, and liabilities for, the transmission of offensive material. Neither the language itself nor any legislative history suggests the broader meanings that the parties offer, and certainly lend no support for the notion that assessment of surcharges on the ISPs' retail revenues constitutes regulation of ISP services themselves. But even if it did, the Commission could consider forbearance for those forms of regulation which may be inappropriate for Internet providers. See Section 410.

**III. The Commission Must Establish A Firm Compliance Program**

As AT&T showed (at 13-14), to ensure that Section 254's programs receive the required support in an equitable manner, a clearcut compliance plan is not only necessary, but essential. Business Networks (at 5) confirms that a compliance plan is critical to ensure that "all telecommunications providers subject to Universal Service support obligation[s] are provided actual notice of their contribution obligations to that fund, and . . . that an effective enforcement mechanism be established to assure that this support obligation is

equitably enforced upon all competing service providers."<sup>26</sup>

AT&T made a compliance plan proposal in its November 19, 1997 letter addressed to the Proposed First Quarter Universal Service Contribution Factors. AT&T's proposal included the need for an audit, accounting order, public disclosure of the list of filing entities along with the total retail revenues for each reporting entity used as the contribution base, as well as creation and disclosure of a composite USF Worksheet by industry segment to help monitor and ensure conformance with the Commission's programs. AT&T urges the Commission to move forward with this compliance proposal, as it prepares its report to Congress.

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<sup>26</sup> And, as PCIA (at 15) notes, the Commission must publicize the USF so that entities that are not FCC licensees and trade association members are aware of their obligations.

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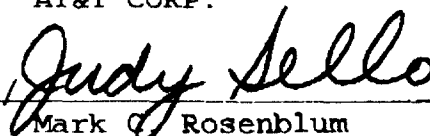
**CONCLUSION**

For the reasons stated above and in  
AT&T's Comments, the Commission should reexamine the  
foregoing issues as it reviews its compliance with the  
1996 Act's directives as to universal service issues.

Respectfully submitted,

AT&T CORP.

By /s/



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Its Attorneys

February 6, 1998



LIST OF COMMENTERS  
CC DOCKET 96-45  
REPORT TO CONGRESS  
1/26/98

Access Authority, Inc. ("Access")

AirTouch Communications, Inc. ("AirTouch")

Alabama, Alaska, Arkansas, Georgia, Idaho, Kentucky, Maine, Montana, New Hampshire, New Mexico, North Carolina, South Carolina, Vermont and West Virginia State Regulatory Agencies ("State Agencies")

Alaska, State of ("Alaska")

Aliant Communications Co. ("Aliant")

American Council on Education, American Association of Community Colleges, Association of American Universities, and the Association of college and University Telecommunications Administrators ("Education Parties")

America Online, Inc. ("AOL")

Ameritech

AMSC Subsidiary Corporation ("AMSC")

Atlanta Public School System ("Atlanta Schools")

AT&T Corp. ("AT&T")

Beehive Telephone Companies ("Beehive")

Bell Atlantic ("Bell Atlantic")

BellSouth Corporation ("BellSouth")

Business Networks of New York, Inc. ("Business Networks")

Bybee, Dennis L., Ph.D. ("Bybee")

Carolina Connection, Inc. ("Carolina ISP")

Colorado Public Utilities Commission ("Colorado PUC")

Comcast Corporation ("Comcast")

Commercial Internet Exchange Association ("CIX")

Community Internet Systems, Inc. ("Community")